



Department of Justice

**United States Attorney David C. Weiss
District of Delaware**

FOR IMMEDIATE RELEASE
TUESDAY, SEPTEMBER 7, 2010
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CONTACT: CHRISTOPHER J. BURKE
PHONE: (302) 573-6277, Ext. 142
FAX: (302) 573-6220

SINGLETON, WATSON CONVICTED IN \$2.9 MILLION THEFT FROM CITIGROUP

David C. Weiss, United States Attorney for the District of Delaware, announced today that Keith Singleton, age 42, of Schwenksville, Pennsylvania, and Eugene Watson, age 30, of Philadelphia, Pennsylvania, were convicted on Friday, September 3, 2010 after a five-day jury trial, of participating in a scheme to steal approximately \$2.9 million from Citigroup, Inc. Mr. Singleton and Mr. Watson were both convicted of one count of conspiracy to commit wire fraud, in violation of 18 U.S.C. § 1349. Mr. Singleton was separately convicted of 14 counts of wire fraud, in violation of 18 U.S.C. § 1343, and two counts of engaging in monetary transactions in property derived from specified unlawful activity, in violation of 18 U.S.C. § 1957. Mr. Watson was separately convicted of three counts of wire fraud, in violation of 18 U.S.C. § 1343.

The defendants were convicted of conspiring to engage in a wire fraud scheme with Carin Seals, a former employee at Citigroup's Global Loan Operations Department in New Castle, Delaware. In her position at Citigroup, Ms. Seals was responsible for ensuring that payments Citigroup received from borrowers in loan transactions were properly transferred from a Citigroup account into the bank accounts of the other various participants involved in the transactions.

However, from December 2006 through March 2007, the defendants arranged with Ms. Seals that she would instead send 17 different individual wire transfers of funds, totaling approximately \$2.9 million, to bank accounts that had no relationship to any legitimate Citigroup transaction. In fact, these bank accounts were all accounts held either in Mr. Singleton's name, in Mr. Watson's name, in the name of Mr. Singleton's business, "Papa's Perfect Pizza," or in the name of associates of Mr. Singleton or Mr. Watson. Mr. Singleton and Mr. Watson had provided Ms. Seals with the relevant bank account numbers and routing numbers for these accounts, prior to the transfers.

Mr. Singleton, Mr. Watson and Ms. Seals took various steps to attempt to hide the source and location of these fraudulently-transferred funds. Ms. Seals made false notations on various Citigroup internal records, in an attempt to make it appear that the transfers were related to legitimate loan transactions overseen by Citigroup. Once the defendants or their associates received the wire transfers, they either quickly spent the money on the purchase of luxury items and to pay off personal

debts, or Mr. Singleton transferred the money into and out of a series of other financial accounts. Mr. Singleton also gave Ms. Seals various financial benefits in order to pay her back for her role in the fraud, including providing her with direct cash payments and checks made out to her and to her associates. In addition, Mr. Singleton also gave Ms. Seals access to various bank accounts containing some of the proceeds of the fraud, which Ms. Seals used to make personal purchases.

Ms. Seals, who pled guilty to one count of conspiracy to commit wire fraud in July 2009, will be sentenced by United States District Court Judge Sue L. Robinson on November 3, 2010. Mr. Singleton's and Mr. Watson's sentencing dates have not yet been set by the Court.

U.S. Attorney Weiss stated: "Delaware has long been a home to large financial institutions and it is important that when those institutions are victims of fraud, federal investigators work hard to bring the perpetrators to justice. In this case, members of the United States Postal Inspection Service, the United States Secret Service and the U.S. Attorney's Office engaged in a lengthy investigation in which they traced the flow of the fraudulent wire transfers. By following the money, those investigators determined the contours of the fraudulent scheme in this case – how Mr. Singleton was able to send money back to the defendants' co-conspirator, Ms. Seals, and how the defendants were able to use the help of third parties in engaging in their fraud scheme. These detailed, time-intensive investigations are exactly the type of work that the U.S. Attorney's Office and our law enforcement partners do best."

As noted above, the case was investigated by the United States Postal Inspection Service and the United States Secret Service. It was prosecuted by Assistant United States Attorneys Christopher J. Burke and Keith M. Rosen.

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